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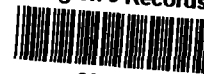
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April 7, 2003

Mr. Fred Micke, On-Scene Coordinator
Ms. Verneta Simon, On-Scene Coordinator
U. S. Environmental Protection Agency
Region 5
77 W. Jackson Boulevard, SE-5J
Chicago, Illinois 60604

EPA Region 5 Records Ctr.



226802

RE: Draft Letter Regarding Lakeshore East – STS Project No. 1-32193-XC

Dear Mr. Micke and Ms. Simon:

We are in receipt of your draft letter of March 19, 2003 regarding completion of work at Lakeshore East. Attached please find a proposed revision to that letter, incorporating review comments from ourselves and our client, Lakeshore East Development.

With specific regard to the two unsurveyed areas consisting of the seasonally ponded area and the golf course lake, please be advised as follows. The seasonally ponded area is currently covered by an approximately 5,000 cubic yard soil stockpile. That area will be surveyed upon relocation of that pile, anticipated for May or June 2003. The golf course lake area will be surveyed upon draining the lake and allowing time for the bottom to dry. That effort is at present unscheduled but is anticipated for later this year.

The letter has also been revised to clarify that the contamination which remains is in an off-site location beneath Harbor Drive. All identified contamination from on-site has been removed.

We appreciate your assistance with this project. Please contact us with any questions you have regarding this project.

Regards,

STS CONSULTANTS, LTD.


Steven C. Komder, Ph.D.
Senior Geochemist


Richard G. Berggreen, C.P.G.
Principal Geologist

cc: Kara Hughes, David Carlins, Lakeshore East Development
Barbara Magel, Karaganis, White & Magel Ltd.
Mark Krippel, Kerr-McGee

Attachment: Revised USEPA Letter

Mr. Richard Berggreen
STS Consultants, Ltd.
750 Corporate Woods Parkway
Vernon Hills, Illinois 60061

RE: Lakeshore East, 221 North Columbus Drive, Chicago, Illinois
Lindsay Light II Site/OU5

In order to satisfy its construction financing lender's documentation requirements, Lakeshore East, LLC ("LSE") has requested that U.S. EPA provide a written "clearance" of the radiological removal action conducted at the Lakeshore East site prior to LSE's submission of its final completion report and prior to EPA issuing its closure letter.

LSE has provided information that indicates LSE has completed removal of radioactively contaminated material at the Lakeshore East Development site, at 221 North Columbus Drive, Chicago, Illinois, in accordance with the Work Plan for investigation and Removal of Radiologically Impacted Soil, Lakeshore East LLC, date June 24, 2002, revised September 13, 2002, final revision dated September 30, 2002, and approved by U.S. EPA on correspondence dated September 20, 2002. LSE has not yet provided a completion report as required by the approved Work Plan. U.S. EPA expects that it will be forthcoming and that the report will explain in detail all work completed.

The removal actions followed a Phase I investigation, and consisted of two additional phases of work. Phase II consisted of removing radioactively contaminated material that LSE identified in the Phase I series of surface radiological surveys and down-hole exploration surveys, as well as those areas identified by U.S. EPA. U.S. EPA performed verification surveys and sampling at those locations where radioactively contaminated materials were removed and confirmed that LSE removed all materials to below the specified cleanup threshold of 7.1 pCi/g total radium.

There are portions of the site, however, that were not radiologically surveyed and other portions adjacent to the Site where radioactive contamination was identified but it was left in place. Those areas described below include the former boat Slips C, D and E as depicted in historical Sanborn Fire Insurance maps dated 1906 ("boat Slips"), Parcel O and Parcel P, a seasonally ponded area in the center of the site and the golf course lake (include reference map showing specified locations.).

The Phase III work consisted of gamma surveys of fill soil above the approximate elevation of the ground surface at the site in the year 1900 (6 feet City of Chicago Datum), except for the portions of the site formerly occupied by the boat Slips, Parcels O and P, the seasonally-ponded area and the golf course lake. LSE conducted excavation of soil in 18-inch lifts and subsequent gamma surveys to confirm that no radioactively contaminated material remained in those fill soils. LSE removed impacted materials encountered during Phase III to at least the 7.1 pCi/g total radium cleanup standard. U.S. EPA surveyed and took verification samples in the excavation locations to confirm that the identified removal activities were complete.

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This letter provides notice that based on the information currently provided by LSE with the exceptions noted above, that LSE has removed all identified radioactively contaminated materials to below the cleanup threshold specified by U.S. EPA, and that no further radiological surveys or removals are required in those areas documented to be below the cleanup threshold. (Citation to Map). U.S. EPA reserves its right to render a different decision, upon final review of the completion report, as to whether additional radiological surveys or removals are necessary.

As stated above, however, this determination that all radioactively contaminated material has been removed does not apply to the portions of the site formerly occupied by the boat Slips, Parcel O and Parcel P, the seasonally ponded area and the golf course lake. (Citation to Map). With respect to the former boat Slips, LSE's investigation of those locations was limited to surface gamma surveys in the Phase I work, that explored approximately the upper 18 inches of soil and a 10-meter grid boring program consisting of 271 borings to 12 feet deep with down-hole gamma logging. Where LSE detected radioactive contamination at the surface in boat slips D and E, it removed that material to the cleanup threshold specified by U.S. EPA. Radiation surveys must be conducted in the boat Slip areas whenever excavation exceeding 18 inches in depth is planned or any other construction or development activities are proposed that may disrupt or bring these soils to the ground surface where they may be in contact with workers or the public.

With respect to Parcels O and P, LSE has requested that these Parcels be excluded from the Work Plan. While U.S. EPA agrees to do so, LSE is under a continuing obligation to conduct radiation surveys anytime excavation is planned or any other construction or development activities are proposed that may disrupt these soils where they will be in contact with workers or the public.

With respect to the seasonally ponded area and the golf course lake, LSE has explained that it did not radiologically investigate the ponded area because it was below the elevation of the ground

surface in the year 1900 and the lake has not been drained so it is impractical to survey. It is U.S. EPA's understanding, however, that as part of the development, eventually the ponded area and lake will be drained and filled. Given the lack of information available regarding the condition of the material in these two areas, they should be subject to additional surveillance and removal restrictions.

Additionally, during the site investigation and removal activities, LSE identified a radioactively-contaminated area remaining beneath the adjacent Harbor Drive sidewalk which is located along the southeast boundary of the LSE property. That property belongs to the City of Chicago. As long as this contaminated area remains undisturbed and covered by the sidewalk, it does not pose a threat to public health or the environment. However, as the property undergoes development and utilities and other improvements may be installed in the sidewalk right-of-way, the contaminated area must be properly managed to prevent workers or the public from exposure to the remaining radioactive material during future construction or utility installation, replacement or repair work.

To further ensure that radiation surveillance is timely conducted and any remaining radioactive contamination in the boat Slips, Parcels O and P, the seasonally ponded area, and the golf course lake is properly managed, U.S. EPA requests that LSE or any subsequent purchaser, including but not limited to contractors, subcontractors, utilities providing service or improvements to the property, conducts any subsurface work in any of the areas described above, then LSE or any subsequent purchaser shall give U.S. EPA prior notice of the subsurface work and shall perform or ensure the performance of radiation surveillance and the proper management and disposal of any radioactively-impacted material encountered during such work.

Radiological survey requirements will not apply to any fill soils imported to the site as part of the site development, to the extent that those soils can be distinguished from the soils previously present on site.

Please contact me at (312) 886-3601 or Cathleen Martwick, Associate Regional Counsel at (312) 886-7166 if you have any questions concerning this letter. Sincerely,

Verneta Simon
On-Scene Coordinator

cc: City of Chicago
Kerr McGee
Commonwealth Edison

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**FACSIMILE TRANSMISSION****Date:** April 7, 2003**To:** Verneta Simon/Fred Micke USEPA Fax #: 312-353-9176

Kara Hughes/David Carfins Lakeshore East, Development Fax #: 312-642-2773

Barbara Magel Karaganis, White & Magel Ltd. Fax #: 312-836-9083

Mark Krippel Kerr-McGee Chemical LLC Fax #: 630-231-3990

Pages being transmitted, incl. Cover: 5**CC:** **Fax No.:****From:** Rich Berggreen **Phone:** 847-279-2500**Re:** Lakeshore East, 221 N. Columbus Dr., Chicago, IL☐ Urgent ☐ For Signature ☐ For Review ☐ Please Comment/Reply ☐ As Requested ☐ Original to Follow**Message:**

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